



AGENDA MEMORANDUM

Action Item for the City Council Meeting January 31, 2023

DATE: January 31, 2023

TO: Peter Zanoni, City Manager

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Telecommunication Billing Audit

CAPTION:

Resolution authorizing a one-year professional services agreement with TelResource, Inc., of San Antonio to provide telecom billing audit and correction services in exchange for a one-time payment of 30% of any billing recoveries and expense savings achieved by TelResource, with FY 2023 funding from the Information Service Technology Fund.

SUMMARY:

This resolution authorizes the City of Corpus Christi to enter a one-year agreement with TelResource, Inc., to provide telecommunications billing audit and correction services to the City. Under this engagement, TelResource, Inc. will review past and present monthly telecommunications invoices to find instances of overpayments and erroneous billings to recover overcharges, address future billing errors, and related services.

BACKGROUND AND FINDINGS:

The City of Corpus Christi spends approximately \$1,500,000.00 annually on telecommunications services including wired and wireless voice, data, and video services. Telecommunications service bills are large documents with many pages of data that include industry and carrier-specific terminology, codes, fees, and terms and conditions for service. The monthly bills can include errors and overcharges due to the volume and complexity of the City's communication services and the limitations of the carriers' billing systems.

In order to verify the accuracy of billing invoices for communication services, the City is seeking

assistance TelResource, Inc. with a mastery of several interrelated disciplines including , among others, an understanding of telecommunications networks, the scope and availability of wired and wireless communication services offered by carriers, carrier billing system operations and procedures, telecommunications services marketing, industry terminology, and federal and state telecommunications tariffs, cooperative contract, and regulations.

This contract will allow the City to engage TelResource, Inc., to be an advocate for the City of Corpus Christi in gathering data from the carriers, reviewing billing records, identifying instances of overpayments for any reason, and demanding reimbursement related to wired and wireless communication services, cable services, and internet services. As part of the engagement, TelResource, Inc., will conduct an inventory of communication services and infrastructure, make periodic reports to City staff, develop analytical tools for tracking communication service expenses, make system efficiency recommendations, make recommendations to reconfigure services to yield savings while maintaining the same or better level of service. In return for these services, TelResource, Inc. will retain a 30% percentage one time payment based on the billing overpayment recoveries and expense savings achieved by the city because of implementing recommendations made by the consultant.

PROCUREMENT DETAIL:

Finance-Procurement conducted a competitive Request for Proposal (RFP 4178) to obtain qualified firms to provide telecommunication billing audit. The City received five (5) responsive, responsible proposals and evaluated which were evaluated by the City's evaluation committee, and the top four (4) firms fell within a competitive range and were interviewed according to technical and evaluation criteria on the Request for Proposals.

The evaluation committee were comprised of three members from IT that included the Director, Business Manager, and Project Manager, and evaluated against the published criteria in the RFP. The evaluation committee rated each proposer and was scored according to 1) firm's experience, 2) understanding the project scope, 3) local preference, and finalist included 4) pricing. Final scores were tabulated for each firm to determine the highest-ranking firm offering the best value to the City.

Staff is recommending award to TelResource, Inc. as the highest-ranking firm. TelResource, Inc. scored the highest in the technical evaluation and the interview process.

ALTERNATIVES:

City will continue to commit an extraordinary amount of staff time to analyze complex telecommunications services bills and will be unable to recover improperly overbilled amounts.

FISCAL IMPACT:

As compensation under this contract, TelResource, Inc. will be entitled to receive a one time payment based on 30% of any billing recoveries and expense savings one year achieved by the City because of efforts and recommendations. There is no direct expense for utilizing the services and TelResources is only paid if savings are achieved. Savings generated by these services will be deposited into the Information Technology Fund.

FUNDING DETAIL:

Fund:
Organization/Activity:
Mission Element:
Project # **(CIP Only)**:
Account: 530200*

*Commissions will be expensed from departments budgeted telecom expense lines.

RECOMMENDATION:

Staff recommends the approval of this resolution.

LIST OF SUPPORTING DOCUMENTS:

Professional Service Agreement
Evaluation Matrix